

HB2345

Measure Title: RELATING TO MONEY TRANSMITTERS.

Report Title: Money Transmitters; Commissioner of Financial Institutions; Powers; Bond; Security Device

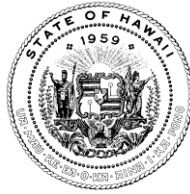
Description: Amends bond provisions for consistency with terms used in the Money Transmitters Act. Clarifies the Commissioner of Financial Institutions' powers under the Money Transmitters Act. (HB2345 HD1)

Companion: [SB2772](#)

Package: Governor

Current Referral: CPH, WAM

Introducer(s): SAIKI (Introduced by request of another party)



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**TO THE SENATE COMMITTEE ON
COMMERCE, CONSUMER PROTECTION, AND HEALTH**

**TWENTY-NINTH LEGISLATURE
Regular Session of 2018**

Tuesday, March 13, 2018
9:00 a.m.

**TESTIMONY ON HOUSE BILL NO. 2345, H.D. 1, RELATING TO MONEY
TRANSMITTERS.**

TO THE HONORABLE ROSALYN H. BAKER, CHAIR, AND MEMBERS OF THE
COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on H.B. 2345, H.D. 1, Relating to Money Transmitters. My name is Iris Ikeda, and I am the Commissioner of Financial Institutions ("Commissioner") for the Department's Division of Financial Institutions. The Department strongly supports this administration bill, with an amendment for an "upon approval" effective date. The companion measure to this bill was S.B. 2272.

The purpose of this bill is to amend Hawaii's Money Transmitters Act, Hawaii Revised Statutes ("HRS") chapter 489D, to clarify the powers of the Commissioner and amend bond provisions for consistency with terms used elsewhere in the chapter.

SECTION 1 of this bill amends HRS section 489D-7(b) to clarify that an applicant for licensure must provide a security device or bond that covers, among other things, transmission of "monetary value", as well as money. This is needed because HRS section 489D-4 defines "money transmission" as including "receiving money or

monetary value for transmission. . . .” “Monetary value” is defined in the same section as a means of exchange, whether or not redeemable in money.

SECTION 2 of this bill amends HRS section 489D-34 to give the Commissioner specific powers to enforce HRS chapter 489D. It expressly authorizes the Commissioner to issue declaratory rulings and informal interpretations, develop licensure requirements, investigate complaints, subpoena witnesses, conduct hearings, require disclosures and criminal history record checks, hire qualified professionals for assistance, deposit revenues, fees, and fines into the compliance resolution fund, revoke or limit licenses for violation, and report licensee violations to an appropriate federal agency.

The Department supports this bill because clarification of the security device provision will enhance consumer protection for money transmitter customers. Clarifying the Commissioner’s authority to enforce chapter 489D and providing specific tools to do so will enhance the Commissioner’s ability to take appropriate action for chapter violations, deter noncompliance, and protect consumers.

The Department strongly supports this administration bill and requests that it pass out of this committee with an “upon approval” effective date, and otherwise unamended. Thank you for the opportunity to testify, and we ask for your favorable consideration.